During 2009-10, the allocations of wheat and rice to Madhya Pradesh under TPDS (AAY, BPL and APL) have been increased from 20.85 lakh tons to 28.84 lakh tons.

Price hike of sugar

1744. SHRI N.R. GOVINDARAJAR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether sugar price in open market climbed Rs. 46 per kg. and is expected to keep climbing the way things are;

(b) if so, the details thereof;

(c) whether it is estimated that total expected production of sugar in 2009-10 is around 15 million tonnes according to National Sugar Federation of co-operative sugar factories and the expected demand is 23 million tonnes; and

(d) if so, the details thereof and the corrective steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS) : (a) and (b) At present, the sugar prices are ruling in the range of Rs.34 to 39 per kilogram in the four metropolitan cities of the country. It is difficult to indicate if sugar prices would keep climbing as sugar price in the market depend upon a number of factors like demand, supply, market sentiments and international prices.

(c) and (d) The National Federation of Cooperative Sugar Factories Ltd. has estimated sugar production for the current sugar season 2009-10 to be around 16.0-16.05 million tonnes and the estimated domestic demand of sugar to be around 23 million tonnes. In order to augment availability of sugar in the country, the Government has taken a number of steps, the details of which are given in Statement. [Refer to the Statement appended to the Answer to Unstarred. Question 1725 Parts (a) to (c).]

Implementation of Abhijit Sen Committee Report

1745. SHRI MOHD. ALI KHAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government is implementing the Abhijit Sen Committee Report fully;

(b) if so, the details thereof;

(c) the results yielded so far; and

(d) if not, by when the report will be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS) : (a) and (b) Abhijit Sen Committee's recommendations are taken into consideration, while devising various policies with regard to the Commodity Futures Market. An amendment to the Forward Contracts (Regulation) Act 1952 (FCR Act) to strengthen

the regulatory capabilities of Forward Markets Commission (FMC) and enabling developments in the commodities futures market is under the consideration of the Government.

(c) Some of the important recommendations of the Abhijit Sen Committee Report include upgrading the capabilities of the FMC and quality of regulation by expeditious amendment of the FCR Act 1952, increasing the participation of hedgers, *i.e.* the physical market stakeholders in the Futures Market, reforming and improving the spot market, removing the legal and regulatory hurdles in setting up and functioning of national spot exchanges which can facilitate best spot price discovery and a ready market for farmers to sell their produce, restructuring of contract designs and other requirements of futures trading so as to enable farmers' participation in the futures market, strengthening support infrastructure of warehouse and commodity finance and operationalisation of the WD and R Act in order to reach out to the farmers and strengthening the efforts of FMC and commodities exchanges for dissemination of futures prices through various channels to improve the farmers bargaining power while marketing the produce.

The Government is making all efforts to amend the FC (R) Act. The amendment of the FC (R) Act would facilitate strengthening of the capabilities of FMC to effectively regulate the market, enable participation of institutional Players such as banks and financial institutions in the commodity futures market, thereby bringing adequate depth to the market to enhance participation of hedgers in the market, and introduction of new derivative products such as options that would encourage participation of farmers in the commodity futures markets. The Forward markets Commission and the Exchanges review contract designs of agricultural commodities from time to time with a view to making it suitable for participation by agri-market stakeholders.

The futures market, currently in its 6th year of operation after the liberalization of the commodity futures market, have served as a catalyst of change for spot markets and have contributed though in a small measure, to the development of rural agri infrastructure including warehousing, grading and quality certification facilities. The two national spot exchanges set up by the National Commodity Exchanges have attempted to create an integrated national spot market to discover the best spot prices which the farmer can get. The passage of the Warehousing Development and Regulation (Act) 2007 will go a long way in the expansion of warehousing facilities in the country and the development of transferable warehouse receipt system and WDR financing by banks.

The Forward Markets commission has commenced the implementation of a nationwide Price Dissemination Scheme that would make available spot and futures prices of agricultural commodities to all links in the agriculture supply chain, especially farmers.

(d) Many of the recommendations of the Committee have been implemented. Efforts are being made to amend Forward Contract (Regulation) Act, 1952 to empower the Regulator to regulate and develop the market effectively.